Respondents to the American Banker Survey of Bank Holding Companies Offering Discount Brokerage Services *

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Asset Rank 12/31/84	Bank Holding Company / Name of Brokerage Service	Where Customers Come From(%): Full Service Broker	Discount Broker	Never Owned Stock	Date Service Began	Notes
	OHIO					
169	First Bancorp. of Ohio, Akron FBOH Investors, Akron (D)	25	50	25	July 1984	FBOH Investors, a joint venture firm, offers self-directed IRA/Keoghs and trades in options and corporate bonds.
143	Fifth Third Bancorp., Cincinnati Fifth Third Investors Services Dept., Cincinnati (G)	10	90	0	1981	Fifth Third Investors, a division of the bank, offers more than stock trading, but the services were not specified.
115	Centran Corp., Cleveland Central Bank Brokerage Service, Cleveland (B)	2	95	3	1983	Central Bank Brokerage, a division of the bank, also trades in options and listed bonds.
31	National City Corp., Cleveland Bankers Investor Services, Columbus, Ohio (G)	N.A.	N.A.	N.A.	1983	Bankers Investor Services, a division of the bank, offers self-directed IRAs and option trading.
148	Toledo Trustcorp., Inc. Securitrade, Boston (E)	15	75	10	June 1983	Securitrade, a joint venture firm, only offers stock trading.
	OKLAHOMA					
116	BancOklahoma Corp., Tulsa MPACT Brokers, Austin, Tex. (D)	5	75	20	July 1984	MPACT Brokers, a joint venture with MCorp, Dallas, allows BancOklhoma customers to trade in options.
	OREGON					
49	U.S. Bancorp., Portland, Ore. U.S. Brokerage Services, Portland (G)	N.A.	N.A.	N.A.	Feb. 1983	Customers can trade more than stocks with U.S. Brokerage, a division of the bank, but the services were not specified.
	PENNSYLVANIA					
144	Merchants Bancorp., Inc., Allentown, Pa. Investors Access, New York (E)	N.A.	N.A.	N.A.	Nov. 1983	Investors Access, a joint venture firm, offers self-directed IRAs and margin accounts and trades in options and bonds.
149	Dauphin Deposit Corp., Harrisburg, Pa. Wilminton Brokerage Services Co., Del. (D)	0	90	10	Dec. 1984	Dauphin Customers can trade in options, debentures, mutual funds, municipal and corpoarate bonds and U.S. government and agency securities.
34	CoreStates Financial Corp., Philadelphia PNB Discount Brokerage Service, Philadelphia (D)	N.A.	N.A.	N.A.	Mar. 1983	PNB Discount Brokerage, a division of the Philadelphia National Bank, also trades in corporate and convertible bonds and listed options.
74	First Pennsylvania Corp., Philadelphia First Pennsylvania Bank Discount Brokerage Service, Philadelphia (D)	45	50	5	Dec. 1982	First Pennsylvania Brokerage, a division of the bank, also trades in bonds, options, and Treasuries.
11	Mellon Bank Corp., Pittsburgh Institutional Network Corp., New York (I)	N.A.	N.A.	N.A.	June 1983	Institutional Network's , a division of the bank, other trading activities include corporate bonds and mutual funds. The firm plans to engage in option trading in the near future. Self-directed IRAs and margin accounts are also offered by the firm.
187	Northeastern Bancorp., Inc., Scranton, Pa. N.A. (G)	10	20	70	Jan. 1983	Northeastern's brokerage service offers self-directed IRAs.
	RHODE ISLAND					
68	Fleet Financial Group, Inc. Providence, R.I. Fleet Brokerage Services, Providence (D)	N.A.	N.A.	N.A.	June 1983	Fleet Brokerage, a division of the bank, also trades in U.S. Treasury and agency bonds, municipal bonds, unit investment bonds, and mutual funds.
	SOUTH CAROLINA					
140	Citizens & Southern Corp., Columbia, S.C. C&S Discount Brokerage Services, Columbia (D)	5	80	15	Oct. 1982	Customers can trade more than stocks with C&S Discount Brokerage, a division of the bank, but the services were not specified.
	TENNESSEE					
86	Third National Corp., Nashville, Tenn. N.A. (D)	10	80	10	Nov. 1983	Through NFSC, Third National is able to offer customers trading in options, mutual funds, and money market funds.
	TEXAS					
164	BancTexas Group, Inc., Dallas BancTexas Securities, Dallas (A)	20	55	25	Apr. 1983	BancTexas Securities, a division of the bank, offers self-directed IRAs and margin accounts and trades in options, precious metals, and corporate bonds.
18	InterFirst Corp., Dallas InterFirst Brokerage Service, Dallas (D)	30	40	30	May 1983	InterFirst Brokerage, a division of the bank, also trades in stock and index options, corporate, municipal, zero-coupon, CAT, and TIGR bonds, unit investment trusts, and listed mutual funds. Services include self-directed IRA and Keogh accounts.
22	MCorp, Dallas MPACT Brokers, Inc., Austin, Tex. (D)	N.A.	N.A.	N.A.	Dec. 1982	MPACT Brokers is currently a subsidiary of MBank, Austin, but plans are for ownership to be transferred by yearend to the holding company. The firm does engage in precious metal certificates trading.
19	RepublicBank Corp., Dallas Discount Brokerage Services, Dallas (E)	N.A.	N.A.	N.A.	Sept. 1983	Discount Brokerage, a division of the bank, offers the additional services of safekeeping, margin accounts, and self-directed IRAs. Other trading activities include options and investment trusts.
63	Texas American Bankshares, Inc., Ft. Worth TA Brokerage, Ft. Worth (G)	20	70	10	July 1983	TA Brokerage, a division of the bank, offers slef-directed IRAs as well as option, fixed-income, and mutual funds trading.
24	First City Bancorp. of Texas, Inc., Houston First City Brokerage Services, Houston (D)	N.A.	N.A.	N.A.	Sept. 1983	Customers may trade more than stocks with First City Brokerage, a division of the bank, but the services were not specified.
21	Texas Commerce Bankshares, Inc., Houston TC Brokerage Services, Houston (D)	N.A.	N.A.	N.A.	June 1984	In addition to stock trading, Texas Commerce Brokerage, a subsidiary of the holding company, offers options, self-directed IRAs, three mutual funds (as an IRA option), and margin accounts.

Continued on Page 22

* — The American Banker surveyed the top 250 bank holding companies and independent banks. The companies listed are those which indicated they do offer discount brokerage services.; † — Rank among commercial banks.; (A) — Security Pacific Brokers, Inc., Pasadena, Calif.; (B) — Pershing & Co. — A division of Donaldson, Lufkin, and Jenrette, New York; (C) — Stephen's Inc., Little Rock, Ark.; (D) — National Financial Services Corp., Boston — A subidiary of Fidelity Brokerage Services, Inc., Boston; (E) — Clears its own trades. (F) — Dominick & Dominick, New York; (G) — BHC Securities, Inc., Philadelphia; (H) — Olde & Co., Inc., Detroit; (I) — Securities Settlement Corp., New York; (J) — Broadcort Capital Corp., New York; (K) — Wall Street Clearing Co., New York; (L) — Depositors Discount Brokerage Service, New York; (M) — Quick & Rielly Clearing Corp., New York; (N) — Ernst & Co., New York; (O) — NewBridge Securities, Inc., New York; (Q) — Cowen & Co., New York; (Q) — Raffensburger Hughes, Indianapolis.

Respondents to the American Banker Survey of Bank Holding Companies Offering Discount Brokerage Services *

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Continued from Page 19

Asset Rank 12/31/84	Bank Holding Company / Name of Brokerage Service	Where Customers Come From(%): Full Service Broker	Discount Broker	Never Owned Stock	Date Service Began	Notes
	[redacted]					
44	Sovran Financial Corp., Norfolk, Va.					
	Investor Services, Norfolk (B)	35	50	15	Jan. 1983	Investor Services, a division of the bank, allows customers to trade in bonds, precious metals, government securities, money market securities, options, mutual funds, and unit trusts.
89	Bank of Virginia Co., Richmond					
	Bank of Virginia Discount Brokerage, Richmond (L)	10	80	10	Feb. 1983	Bank of Virginia Brokerage, a division of the bank, offers margin accounts as well as trading in options, bonds, municipal bonds, no-load mutual funds, and precious metals.
	[redacted]					
47	Rainier Bancorp., Seattle					
	Rainier Brokerage Services, Seattle (D)	35	50	15	Apr. 1983	Rainier Brokerage, a division of the bank, also trades in equity and index options, Treasury issues, and corporate bonds.
	[redacted]					
129	Marine Corp., Milwaukee, Wis.					
	Marine Discount Brokerage, Milwaukee (D)	N.A.	N.A.	N.A.	June 1983	Marine Discount Brokerage, a division of the bank, also trades in options, unit investment trusts, and mutual funds.

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Discount Brokerage Averages

	Averages for: All Respondents	All Respondents Excluding Schwab	Top 50	Top 100	Operating for: Post 100	Less than 1 Yr.	More Than 1 Yr.
Avg. No. of Accounts Opened	11,653	7,764	31,208	20,245	1,834	5,820	12,937
Avg. Dollar Amount/Trade	$7,569	$7,569	$8,256	$7,823	$6,640	$6,209	$7,501
Avg. No. of Shares/Trade	287	285	317	300	262	275	288
Avg. No. of Trades/Month	2,528	560	7,972	4,537	248	732	2,850
Avg. Commission/Trade	$65.51	$64.26	$65.76	$67.59	$64.50	$71.88	$65.23
Avg. Total Dollar Volume/Year	$229,613,184	$50,863,680	$789,758,935	$425,915,412	$19,761,503	$54,504,822	$256,526,676
Avg. Total Commission/Year	$1,987,311	$440,227	$6,290,865	$3,679,870	$191,952	$631,394	$2,230,866
% Commissions/Dollar Volume	0.87	0.87	0.80	0.86	0.97	1.16	0.87

Dear Reader, How Are We Doing?

The American Banker wants very much to make sure its statistical listings for the financial services industry meet your information needs. So would you spend a moment to give us some feedback on the **Bank Discount Brokerage Services** survey that appears in today's edition? Over the last year we have incorporated many of your suggestions to provide more meaningful information. Please return this questionnaire to L. Michael Cacace, Statistical Chief, American Banker, One State Street Plaza, New York, N.Y. 10004. (212) 943-4836.

(1.) How would you **change** the listing to make it more useful? What would you add?

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(2.) What do you like **best** about this tabulation?

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(3.) What do you like **least** about this tabulation?

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(4.) **How** do you use this information in your work?

_____

(5.) What **new** statistical survey would you like to see?

_____

Name (optional) _____ Address _____

Title _____ _____

Company _____ **Phone** _____

Thank you for helping us improve.

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American Banker

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TODAY

A DARLING RESPONSE: In a rebuttal to Sanford Rose's editorial comment entitled "No Thank You, Darling," (Oct. 30, 1984) George Darling offers his thoughts on the subject of asset-liability management for the community banker... 4

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Top 50 Banking Companies in Executive Pay..... 10

CHEMICAL REACTION: Financier Carl Lindner triumphed over Chemical New York Corp. in the competition for the failed Home State Savings Bank of Cincinnati... 1

THE REAGAN TAX PROPOSAL

OVERVIEW: Bank lobbyists can expect to generate little sympathy in the fierce debate to come over America's tax plan," as President Reagan calls it..... 1

BANKS, INSURANCE, SECURITIES: Large banks would be hurt by recommendations for a minimum tax, changes in foreign tax credit rules, and reductions in benefits associated with the purchase of tax-exempt bonds; small banks would be hit by the abandonment of "cash basis" accounting for tax purposes ... Life insurers will vigorously fight what they see as the 'slow death' of President Reagan's tax reform proposals... For the moment, big brokerage houses are happy with what would be the lower capital gains rates and other investment incentives..... 2

THRIFTS, CREDIT UNIONS: The elimination of a key tax advantage to the savings and loan industry could be offset by the lowering of the maximum corporate income tax rate ... More than 2,000 of the nation's largest credit unions would face taxation for the first time under the administration's tax plan..... 3

IRAs, PENSIONS, REAL ESTATE: Changes would curb contributions to 401(k) programs and increase the household limit on IRAs to $4,000 ... It will be less painful than Treasury's first proposal, but banks stand to lose a sizable amount of real estate lending business..... 7

Quote

Why should a bank teller pay a higher rate of taxes than the bank she works for?

House Ways and Means Chairman Dan Rostenkowski, D-Ill. [1]

Unquote

Reagan's Tax Reform Plan Faces Long, Hot Summer on Capitol Hill

By BARTLETT NAYLOR

WASHINGTON — The taxes banks and the rest of corporate America pay — and don't pay — promise to become the subject of fierce debate on Capitol Hill for the rest of the year following unveiling this week of what President Reagan calls "America's tax plan."

The present tax system is "unfair," "too complicated," and "impedes growth," according to the 461-page document that bears the President's signature.

To reform the system, the President proposed a plan that will eliminate many of the deductions enjoyed by businesses. A full 50 pages of the document explain how benefits enjoyed by the banking industry would be changed.

Treasury Secretary James Baker 3d acknowledged at a press conference Wednesday that the reform plan faces "the legislative process" and that amendments are inevitable. He contended that the administration is willing to accept changes but said that the net effect should be "revenue-neutral."

Tax Coverage Continues on Pages 2, 3

Before the reform plan reaches the House and Senate floors, it will face a summer of hearings before the Senate Finance Committee and the House Ways and Means Committee. The

Taxes: Page 6

At a Glance: the Reagan Tax Plan

Here is how President Reagan's tax proposal will affect financial services companies. Most of the proposed changes, if enacted into law, would take effect January 1986.

COMMERCIAL BANKS: Limits deductibility of additions to loan-loss reserves; disallows 100% of interest expense in carrying tax-exempt bonds; limits use of cash method of accounting; puts banks on par with other businesses in applying current losses to past or anticipated income; internationally, limits foreign tax credit to separate countries and revises taxation of foreign exchange gains and losses.

THRIFTS: Limits deductibility of additions to loan-loss reserves; puts thrifts on par with other businesses in applying current losses to past or anticipated income; eliminates tax advantages of taking over financially troubled thrifts; disallows 100% of interest expense in carrying tax-exempt bonds.

INSURANCE COMPANIES: Taxes cash buildup in individual life insurance policies and annuities; taxes limited amount of employer-provided health insurance benefits.

SECURITIES FIRMS: Encourages stock market investments by reducing the maximum tax rate on long-term capital gains to 17.5% from 20%; discourages investment in private-purpose municipal bonds by removing their tax-exempt status.

CREDIT UNIONS: Repeals tax exemption for the 20% of credit unions with gross assets of $5 million or more. Large credit unions would be subject to tax under the same rules that apply to other thrifts.

Ohio Financier Wins Bidding For Home State

Owner of Cincinnati Thrift Derails Chemical New York

By BART FRAUST

NEW YORK — Cincinnati financier Carl Lindner has derailed Chemical New York Corp.'s two-month attempt to enter Ohio through the acquisition of the failed Home State Savings Bank of Cincinnati.

At a press conference in Columbus on Wednesday, Robert McAlister, Ohio savings and loan commissioner, said that the state had accepted an offer to acquire Home State from Mr. Lindner's Hunter Savings Association of Cincinnati, instead of Chemical's offer.

Hunter Savings, which has about $500 million in assets, is a subsidiary of American Financial Corp., a Cincinnati holding company owned by Mr. Lindner, with interests also in insurance and convenience stores.

The purchase price was not disclosed at the press conference, but sources close to the Home State situation said the Hunter Savings offer was $5 million higher than Chemical's. Under the terms of a letter of intent signed in early April, Chemical agreed to pay a premium of $21 million.

Mr. McAlister said the Hunter Savings Association offer would require less state assistance than the Chemical offer. Chemical was not asked to match or top the Hunter Savings offer.

"Although we at Chemical Bank are disappointed at not being selected by the State of Ohio to acquire the business of Home State Savings Bank, we are pleased that we have been able to

Home State: Page 8

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Indianapolis: A Fairy Tale Success

Indianapolis has been labelled the Midwestern "Cinderella City." In a survey of chief bank executives all over the United States, Indianapolis was expected to have "the most dramatic economic growth in the next decade" of any city in the midwest region. That's chosen from step-sister cities in all 11 states.

According to the research firm, it's "clearly a compliment." American Fletcher, Indiana's largest bank, calls it more than a compliment: it's deserved recognition. And it fits perfectly. We know Indianapolis will be living successfully ever after.

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INDIANAPOLIS

Ten Highest Paid Bank Executives

Rank 1984	Rank 1983		Remuneration * 1984	1983
1	2	Lewis T. Preston Ch of J.P. Morgan & Co. & Morgan Guaranty Trust Co.	$1,018,125	$895,456
2	1	Walter B. Wriston Ch of Citicorp (r)	928,800	1,235,267
3	5	R.J. Flamson Ch, CEO of Security Pacific Corp.	919,500	787,500
4	6	J.J. Pinola Ch, CEO of First Interstate Bancorp.	904,985	780,693
5	3	Willard C. Butcher Ch, CEO of Chase Manhattan Corp.	889,351	835,000
6	9	Alfred Brittain 3d Ch of Bankers Trust New York Corp. & Bankers Trust Co.	842,400	746,100
7	7	John F. McGillicuddy Ch, CEO of Manufacturers Hanover Corp. & Manufacturers Hanover Trust Co.	828,434	778,789
8	25	Walter V. Shipley Ch, CEO of Chemical New York Corp. & Chemical Bank	806,338	540,000
9	14	Robert V. Lindsay Pr of J.P. Morgan & Co. & Morgan Guaranty Trust Co.	775,750	674,120
10	18	Carl Reichardt Ch of Wells Fargo & Co.	775,000	590,000

* — Includes total dollar amount of salary, bonus or incentive payments, profit sharing, and all other remuneration (such as insurance premiums, club membership fees, and tax service fees paid by the corporation for the executive), whether current or deferred, attributable to services in 1984. Excludes pension plan payments or accruals, stock options exercised and amounts expensed as compensation arising from stock appreciation rights.

Ch — Chairman of the Board; CEO — Chief Executive Officer; Pr — President; (r) — Retired during 1984.

Pay for the No. 1 and No.

Continued from Back Page

and 15.1%, respectively.

Mr. Preston, as reported earlier, was the only banker to break the $1 million barrier in 1984.

Citicorp fell to the No. 2 spot after three years of paying its top two executives the most. Executive remuneration for the two highest-paid officers at the largest U.S. banking company fell 15.7% to $1,633,667. After becoming the first banker to cross the million-dollar remuneration threshold in 1983, retired chairman Walter B. Wriston's compensation fell 24.8% to $928,800. The new chairman, John S. Reed, had a slight increase of 0.2% to $704,867.

Citicorp had the highest-paid top two executives for five of the six years prior to 1984.

The Security Pacific Corp., Los Angeles, jumped four places to third this year. Compensation for its two top-paid executives increased 19.9% to $1,579,900 from the 1983 total of $1,317,200. Chairman and chief executive officer R.J. Flamson 3d had a 16.8% increase in compensation to $919,500. President and chief operating officer George F. Moody saw his compensation rise 24.7% to $660,400.

Net income was up 10.1% and assets 14.2% for the year at Security Pacific.

Dropping one spot to fourth was the Chase Manhattan Corp., New York. Total compensation for Chase's two top-paid executives increased 7% to $1,527,599 from the previous year's $1,428,313. Net income was off 5.5% at the money center banking company in 1984, while assets grew 6.1%.

Willard C. Butcher, chairman and chief executive of Chase Manhattan Bank, had a 6.5% increase in compensation to $889,351, while the president and chief operating officer of the bank, Thomas G. Labrecque, was up 7.6% to $638,248.

Advancing one place to fifth in 1984, Bankers Trust New York Corp.'s two highest-paid executives had a combined 9.8% compensation increase to

Dear Reader, How Are We Doing?

The American Banker wants very much to make sure its statistical listings for the financial services industry meet your information needs. So would you spend a moment to give us some feedback on the **Executive Remuneration** survey that appears in today's edition? Please return this questionnaire to L. Michael Cacace, Statistical Chief, American Banker, One State Street Plaza, New York, N.Y. 10004 (212) 943-4836.

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Name (optional)_____

Title_____

Company_____

Address_____

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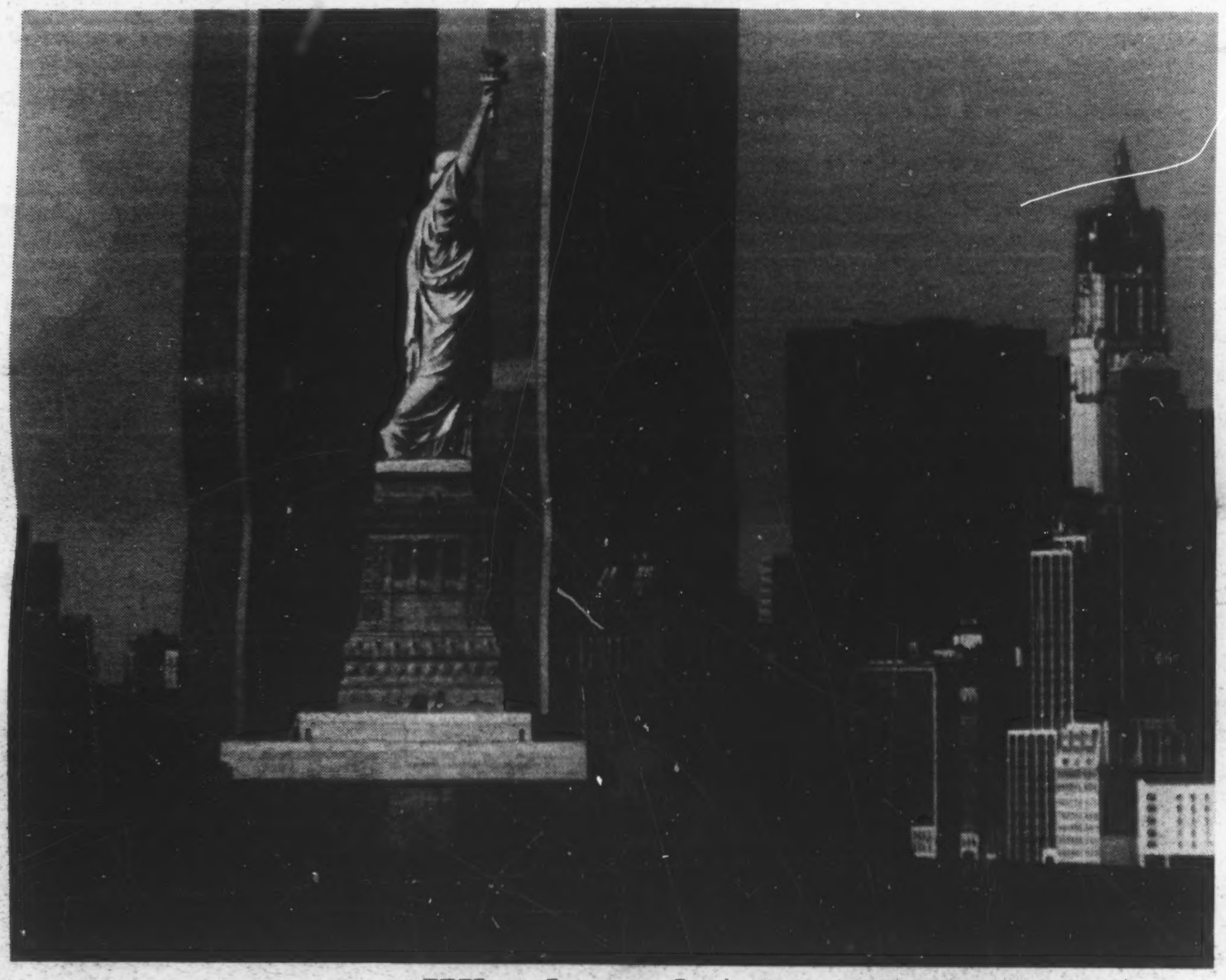


Why does a bank in New York City have its data processing done in Pittsburgh?

"With Mellon's service, we can offer new products far sooner than with our own processing operation."

Sotiros N. Cachules
Vice Chairman
Atlantic Bank of New York

Atlantic Bank of New York is one of more than 200 financial institutions from Vermont to Arizona that use Mellon's Datacenter Services.

"We had our own data processing system for many years," says Cachules, "but to introduce new products after deregulation, we would have had to acquire new and costly resources. We chose Mellon because they're bankers and understand our needs, they have a great track record, and their pricing is reasonable. The results have been excellent."

Mellon was one of the first banks to apply electronic systems to banking, in 1955, and we've been in the forefront of development ever since. A staff of more than 500 bankers who are data processing professionals, supported by an annual development budget in excess of $40 million, ensures that commitment. Mellon's Datacenter shares in those resources, giving its customers a distinct financial and competitive advantage.

If you're concerned about maintaining cost-effectiveness while providing the new services that staying competitive demands, compare your processing costs and capabilities with those of Mellon's Datacenter.

Just call Dick Meyer, vice president, (412) 234-4861. Or write to him at Mellon Bank, Datacenter Division, One Mellon Bank Center, Pittsburgh, PA 15258.

Mellon Bank

Bankers helping bankers compete.

2 Men Rises 9.6% in 1984

$1,460,600. Bankers Trust enjoyed a good year, with increases in net income and assets of 19.4% and 13.0%, respectively.

Total remuneration of chairman Alfred C. Brittain 3d rose 12.9% to $842,400, and vice chairman Carl M. Mueller was up 5.8% to $618,200.

Other survey findings include:

• Sixty-three executives in today's listing were granted stock options in 1984. Twenty-six executives exercised options for a gain of $5 million.

• Mr. Brittain had the biggest gain (the difference between the acquisition price and the fair market price at the time of exercise of the options) with $816,825. R.J. Flamson had the second highest gain with $612,709, and Robert B. Strickland, chairman of the Trust Company of Georgia, Atlanta, was third with $545,998. ■

Credit Union . . .

Continued from Page 3

the reserves of each credit union. "This automatically increases the potential federal government liability to guarantee the soundness of credit unions," he said. The trade association official added that to avoid taking from reserves, a credit union's other choices would be to shift the burden onto its members by raising interest rates on loans, decreasing dividends, or increasing fees for services.

Ken Robinson, executive vice president of the National Association of Federal Credit Unions, said it is wrong to tax some credit unions while others remain protected. "The latest proposal continues the traditional exemption from federal taxation for approximately 80% of credit unions. We are pleased that the merits for continuing the exemption are recognized. But some credit unions are larger than others because their fields of membership are broader and they have more members.

"The nature of credit unions, and their members, are basically the same whether numbered in the hundreds or thousands," stated Mr. Robinson. He called the tax plan neither "fair nor simplified," and said his association will work to preserve tax exemption of all credit unions. ■

Banks . . .

Continued from Page 2

losses by having sufficient reserves."

• Removal of a current rule that enables a bank to deduct 80% of its interest expense incurred in purchasing or carrying tax-exempt obligations. William Hahn, senior vice president of Proctor Bank in Rutland, Vt., said he was concerned "this could impact the municipal bond market and what we're holding and what it could do to the valuation of it." Most bankers interviewed said that state and local governments that issue tax-exempt obligations would suffer the most under this proposal.

• Requiring many banks and other businesses now on a cash method of accounting for tax purposes to switch to the accrual method. This means that payments and tax liabilities are accounted for as the payments are recorded, whether or not the actual cash is in hand. This would affect mostly smaller banks still on the cash method.

Mr. Schwartz of the IBAA, whose members are mostly small and rural banks, contends that a required switch would make accounting more complex for many institutions, "and many are banks without in-house counsel and without in-house accounting."

• Elimination of special rules for the accounting of net operating losses. Commercial banks and thrifts now may carry net operating losses back to the 10 taxable years preceding the year of the loss, and forward to the succeeding five taxable years. The Administration says the current rules are too beneficial and the plan is to make them the same as those governing other taxpayers — carrying losses back three years and forward 15 years.

• Reforming international taxation rules, a potential blow to larger banks. One proposal would limit the amount of income tax paid to a foreign country which may be claimed as a foreign tax credit in any year. The limit would be the U.S. tax on income from that country. Says the ABA, "This would particularly penalize past transactions of U.S. corporations doing business overseas." Other recommendations include a plan to revise the taxation of foreign exchange gains and losses.

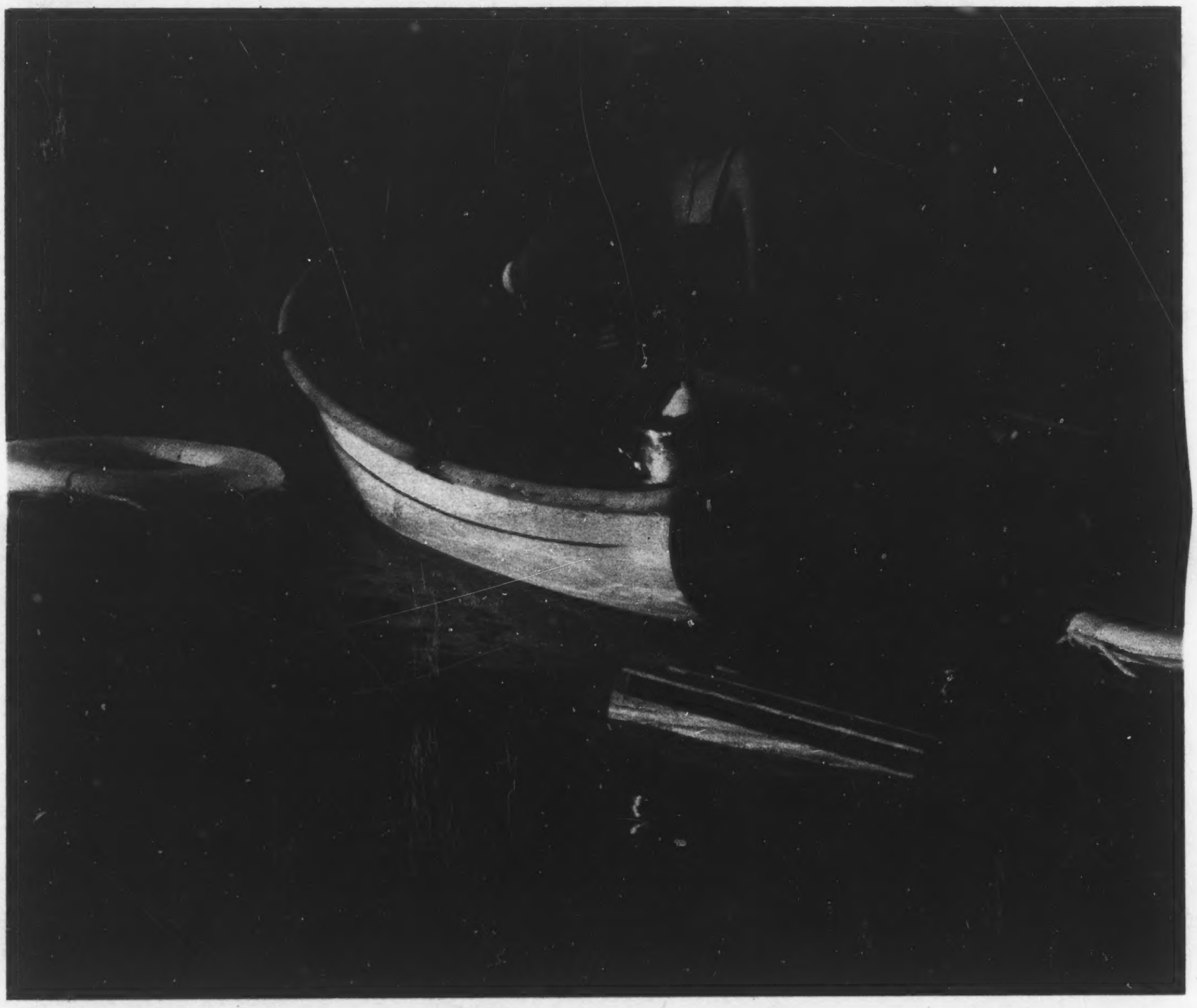
• Changes in interest deductions. One measure would permit deductions for mortgage interest only for principal residences. As for other personal interest, the deduction would be limited to $5,000 over the individual's investment income. A spokesman for the Consumer Bankers Association, which follows retail banking issues, said, "Generally speaking, we don't think the average consumer installment obligation is going to cost the taxpayer anywhere near $5,000 worth of interest in any one year. So this is not going to appreciably impact the typical small-ticket consumer installment obligation, such as your $5,000 or $10,000 loan for a car."

• Revising the corporate minimum tax to reduce the number of corporations paying little or no effective tax because of their use of existing tax preferences. This might affect large banks, which pay relatively low effective tax rates because of foreign tax credits and other preferences. Another aspect of the minimum tax calculation proposed by the President would deny a portion of the interest deduction of corporate borrowers. ABA tax counsel Charles W. Wheeler said Wednesday that this was a concern to bankers because of what it might mean for debt versus equity financing.

• Changes in trust taxation, such as revising grantor rules to eliminate the shifting of income to lower rate beneficiaries through trusts in which the grantor retains an interest. ■

John Barry Takes Helm Of First Vermont Bank

BRATTLEBORO, Vt. — John H. Barry has been elected president and chief executive officer of First Vermont Bank, principal subsidiary of First Vermont Financial Corp., a Brattleboro-based holding company, effective July 1. ■



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